

REMARKS

The Office Action dated June 3, 2009 was received and carefully reviewed.

Presently, claims 1, 33, and 35 are amended to clarify the invention, and not for reasons of patentability. By way of this response, no claims have been canceled, and no new claims have been added. Accordingly, claims 1-36 remain pending in the subject application.

Support for the amendments to independent claims 1, 33, and 35 can be seen at least on page 6, lines 23-35, page 7, lines 7-26, and page 17 line 35 to page 18, line 10, of the specification as originally filed. Accordingly, Applicants contend the amendments to claims 1, 33, and 35 do not include new matter.

In view of the above amendments and the remarks set forth below, Applicants request reconsideration and allowance of the subject application.

Claim Rejections – 35 U.S.C. § 101

Claims 33 and 34 stand rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. However, Applicants contend that the amendment to independent claim 33 obviates any perceived non-statutory subject matter noted by the Examiner.

Thus, Applicants request the withdrawal of the rejection under 35 U.S.C. § 101.

Claim Rejections - 35 U.S.C. § 102

Claims 1-24, 28, and 32-35 stand rejected under 35 U.S.C. 102(e) as allegedly being anticipated by Kawan (U.S. Patent No. 6,889,189 B2) (*Kawan*, hereinafter). Applicants traverse the rejection for at least the reasons set forth below.

Applicants respectfully submit that present independent claims 1, 33, and 35, and the claims dependent therefrom, are patently distinguishable over *Kawan*, since *Kawan* fails to disclose, teach, or suggest all of the features recited in the pending claims. For example, independent claim 1 (emphasis added) recites:

1. A transaction system for use by a plurality of users, comprising:

a plurality of electronic tokens for storing and processing token transaction data and token reward data, each of said electronic tokens for use by a respective user;

a computer server for storing and processing server transaction data and server reward data associated with each of said respective tokens in real-time; and

a plurality of user interaction devices for communicating with said server, at least one of which is provided with a token acceptor device for reading from and writing to said tokens;

wherein said server transaction data and said token transaction data are indicative of at least one transaction and said server and token reward data are indicative of rewards or entitlements earned or otherwise awarded, and said system is operable to transfer, for a respective token, server reward data from said server to said respective token and token reward data from said respective token to said server by means of said user interaction device provided with a token acceptor device, whereby said rewards or entitlements are redeemable either according to reward data stored on said token or according to reward data stored on said server,

wherein at least two user interaction devices transmit to said server said token transaction data corresponding to both an instant transaction and to one or more previous transactions, to thereby provide redundancy in transaction data received by said server.

Independent claim 33 (emphasis added) recites:

33. A computer-implemented method for performing transactions by a plurality of users, comprising:

storing and processing token transaction data and token reward data by a plurality of electronic tokens, each of said electronic tokens for use by a respective user;

storing and processing server transaction data and server reward data associated with each of said respective tokens by a computer server in real-time; and

communicating with said server, by a plurality of user interaction devices, at least one of the plurality of user interaction devices is provided with a token acceptor device for reading from and writing to said tokens;

wherein said server transaction data and said token transaction data are indicative of at least one transaction and said server and token reward data are indicative of rewards or entitlements earned or otherwise awarded, and said system is operable to transfer, for a respective token, server reward data from said server to said respective token and token reward data

from said respective token to said server by means of said user interaction device provided with a token acceptor device, whereby said rewards or entitlements are redeemable either according to reward data stored on said token or according to reward data stored on said server,

wherein at least two user interaction devices transmit to said server said token transaction data corresponding to both an instant transaction and to one or more previous transactions, to thereby provide redundancy in transaction data received by said server.

Independent claim 35 (emphasis added) recites:

35. A transaction system for use by a plurality of users, comprising:

a plurality of electronic tokens for storing and processing token activity data and token reward data, each of said electronic tokens for use by a respective user;

a computer server for storing and processing server activity data and server reward data associated with each of said respective tokens in real-time; and

a plurality of user interaction devices for communicating with said server, at least one of which is provided with a token acceptor device for reading from and writing to said tokens;

wherein said server activity data and said token activity data are indicative of at least one activity and said server and token reward data are indicative of rewards or entitlements earned or otherwise awarded, and said system is operable to transfer, for a respective token, server reward data from said server to said respective token and token reward data from said respective token to said server by means of said user interaction device provided with a token acceptor device, whereby said rewards or entitlements are redeemable either according to reward data stored on said token or according to reward data stored on said server,

wherein at least two user interaction devices transmit to said server said token transaction data corresponding to both an instant transaction and to one or more previous transactions, to thereby provide redundancy in transaction data received by said server.

Thus, independent claims 1, 33, and 35 are directed to, *inter alia*, the feature wherein at least two user interaction devices transmit to said server said token transaction data corresponding to both an instant transaction and to one or more previous transactions, to thereby provide redundancy in transaction data received by said server.

Applicants contend that *Kawan* fails to disclose, teach, or suggest at least the feature wherein at least two user interaction devices transmit to said server said token transaction data corresponding to both an instant transaction and to one or more previous transactions, to thereby provide redundancy in transaction data received by said server, as recited in present independent claims 1, 33, and 35.

The present invention affords the redundant collection of data at the server to ensure a high degree of reliability and synchronicity of the data on the token as well as on the server, thus ensuring integrity and completeness of the data received at the server by sending the data from two independent CID/TAD (see the present specification, e.g., p. 7, ll. 19-26).

Conventional systems fail to solve the reconciliation problems addressed by the present invention. In the prior art, reward balances tracked in the token fail to reconcile with balances in the host server accumulated from the data sent from the Customer Interaction Devices(CID)/Token Acceptor Devices(TAD). This discrepancy can arise from the loss of transaction data from the CID/TADs (e.g., damaged CID/TADs) prior to the data being received in the host server. Another problem that is not addressed by the prior art is that, in the event the token is lost, rewards awarded to the customer in offline mode will be lost and will result in customer service problems and financial implications when the customer's reward balance cannot be reconciled or reconstructed with a high degree of certainty at the server.

The present invention also enables the downloading of rewards from the server to a token thus allowing rewards accumulated at the server to be redeemed in an offline environment using the token without involving the server (see the present specification, e.g., p. 19 ll. 32-37 and p. 21, ll. 18-21). Further, the present invention enables the uploading of rewards from the token to the server to enable rewards accumulated at the token to be redeemed in online environment without using the token or where a TAD does not exist (see the present specification, e.g., p. 22, l. 20-35). Additionally, the present invention enables the transfer of rewards from one token to another token or combine rewards from a plurality of tokens (see the present specification, e.g., p. 26, l. 13 to p. 27, l. 37). The present invention further enables rewards awarded in the local currency of Provider A (e.g., in country X) to be redeemable in the local currency of Provider B

(e.g., in country Y).

As seen in column 7, lines 9-18, *Kawan* discloses comparing and updating information in the merchant loyalty register to the purchase log, both of which (i.e. the loyalty register and purchase log) are stored on the smart card. It is obvious that the comparison of information in the purchase log to the information in the loyalty register is done by the standalone terminal (see *Kawan*, e.g., FIG. 7 and col. 6, ll. 40-55) or by the merchant terminal (see *Kawan*, e.g., FIG. 10 and col. 9, ll. 17-33).

Thus, there is no updating/synchronizing between card and server in the disclosure of *Kawan*, and *Kawan* cannot disclose that at least two user interaction devices transmit to said server said token transaction data corresponding to both an instant transaction and to one or more previous transactions, to thereby provide redundancy in transaction data received by said server, as recited by present independent claims 1, 33, and 35.

Moreover, *Kawan* merely discloses “the automatic calculation of loyalty points, at the host, to be down-line loaded during the same financial transaction to the smart card”, and that “[t]he loyalty program, in this case, is real time driven and/or controlled from the host end to maintain database and smart card synchronism” (see *Kawan*, e.g., col. 10, ll. 10-14). The calculation, as disclosed by *Kawan*, is done at the host, but the actual reward is stored real time on the card which is then available for redemption from the card.

The present invention discloses calculation of rewards done at the host and with the actual reward which is available for redemption stored in the host (“server reward”). This can be done without the presence of the smart card (token). The server reward may be redeemed directly from the server without involving the token. The server reward can be downloaded to and stored on the card token (in a separate transaction, not as part of the same instant transaction which calculates the reward at the host as in the case of *Kawan*) and thereby becomes “token reward” (i.e. reward stored on the card and is available for redemption from the card) which can then be redeemed (offline) directly from the token without involving the server (see the present specification, e.g., p. 1, l. 23-28; p. 18, ll. 12-15; p. 21, ll. 18-21), however this is not taught by

Kawan.

Thus, *Kawan* fails to anticipate or render obvious each and every feature recited in present independent claims 1, 33, and 35. Accordingly, Applicants respectfully request the withdrawal of the rejection under 35 U.S.C. § 102(b), and the allowance of independent claims 1, 33, and 35.

Claims 2-24, 26-32, 34, and 36 are allowable at least by virtue of their dependency from one of the independent claims, but also because they are distinguishable over the prior art. Thus, these claims are in condition for allowance, and Applicants request withdrawal of this rejection.

Claim Rejections – 35 U.S.C. § 103

Claims 25 and 26 stand rejected to under 35 U.S.C. 103(a) as allegedly being unpatentable over *Kawan* in view of Sehr (U.S. Patent No. 5,566,327) (*Sehr*, hereinafter). Applicants traverse this rejection for at least the followings reasons.

Regarding the rejection of claims 25 and 26, *Sehr* fails to make up for the above-recited deficiencies of *Kawan*. Thus, the Examiner has failed to make a proper *prima facie* case of obviousness, and Applicants respectfully request the withdrawal of the rejection under 35 U.S.C. § 103(a), and the allowance of claims 25 and 26.

Applicants respectfully submit that claims 25 and 26 are also allowable at least by virtue of their dependency from independent claim 1, but also because they are distinguishable over the prior art. Accordingly, Applicants respectfully request the withdrawal of the rejection, and the allowance of these claims.

In view of the foregoing, it is submitted that the present application is in condition for allowance and a notice to that effect is respectfully requested. If, however, the Examiner deems that any issue remains after considering this response, the Examiner is invited to contact the undersigned attorney/agent to expedite the prosecution and engage in a joint effort to work out a mutually satisfactory solution.

Except for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application including fees due under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time fees, or credit any overpayment to Deposit Account No. 19-2380. This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

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